

March 28, 1973

E & R Initial as amended. I will proceed to explain the bill. LB 480 would permit a policeman or a fireman, in either a first class city or in Lincoln, to recover his own contributions from the Retirement System in the event of his early termination. At present, there is a restriction that a policeman or fireman in these systems cannot recover his own contributions within the first few years of participation in the plan. Presently, they are required to work from three to five years to recover any of their contributions. Now in August of 1972, a former Lincoln policeman brought a class action suit against the city of Lincoln to recover withheld employee contributions which were not returned upon his termination in accordance with present statutes. In January of 1973, the Lancaster District Court rendered a judgment in the plaintiff's favor. Although, this decision is currently under appeal and its ultimate outcome uncertain, passage of this bill would remove the possibility of this type of unfortunate litigation in the future. Such provisions on the refund of employee contributions as are currently in the statutes are quite rare in private pensions plans. In cases such as noted above, extreme amount of employee ill will is created. The cost savings to the employer very likely do not offset this ill will. Passage of LB 480 would have no fiscal impact on the state. Ralph Nelson, Lincoln city attorney, and Michael Merwick of the Nebraska Firefighters Association appeared in support of the bill. Both witnesses expressed some concern that the bill should not be retroactive as this could force these Retirement Systems into financial difficulty and jeopardize the benefits for other participants and that was the reason for the amendment. In view of the testimony, we put on this amendment. Now, that is the explanation of the bill and I move that we advance it to E & R Initial as amended.

PRESIDENT: The question is shall LB 480 as amended be advanced from General File to E & R Initial. All those in favor vote aye. All those opposed vote no. Voting on the advancement of LB 480. Have you all voted? I will wait for you, Senator Kennedy. Thank you. The clerk will record.

CLERK: 30 ayes, 0 nays, 19 not voting.

PRESIDENT: The bill is advanced. Now that will bring us around to the General File consideration, then, of LB 527, which is Senator Burbach's bill.

CLERK: Read title. LB 527. There are no Committee amendments.

SENATOR BURBACH: Mr. President, I move for the advance... to advance LB 527 to E & R for initial. The purpose of 527 is to clarify the provision allowing the Oil and Gas Commission to delegate the collection of the production charges to be deposited in the oil and gas conservation fund to some other state agency. In this case it will be the Department of Revenue. This will allow the Oil and Gas Commission to use the administrative and tax collection machinery of the Department of Revenue. It will save duplication of governmental functions and the expenditure of unnecessary funds in this duplication. This is a bill brought by the Tax Commissioner, I suppose what we call a bill introduced at the request of the Governor but in trying to update the office and there have been changes made over the years in the Tax Department as far as oil and oil and gas conservation, the collection of Sales Tax and so forth. In trying to round out their operation more efficiently, if the Oil and Gas Commission turn over their responsibility to this Department which is practically for all practical purposes already doing it but it gives them the legal status to do so. This is what this bill does and it's very minor in any change. However, it does bring under one area, one jurisdiction, the collection of those taxes which are charged for the Gas and Oil Conservation Commission, and I move for the advancement of 527 to